

PROJECT NO. 24640

**ISSUES RELATED TO § PUBLIC UTILITY COMMISSION
ESTABLISHMENT OF, AND ANNUAL §
REVISIONS TO, ACCESS LINE RATES § OF TEXAS
FOR TEXAS MUNICIPALITIES**

**ORDER SETTING CPI-ADJUSTED CITY-PREFERRED ACCESS LINE RATES
FOR YEAR 2005**

This Order administratively approves City-preferred access line rates for the Year 2005. Pursuant to P.U.C. SUBST. R. 26.467(j) and TEX. LOC. GOV'T CODE § 283.055(g), Texas cities are allowed to annually revise their access line rates by an amount equal to one-half the annual change in the most recent consumer price index (CPI). For the year 2004, this amount equals 1.27%. On March 24, 2005, the Commission issued an Order approving a 1.27% increase in maximum access line rates for Texas cities with Commission-approved rates. However, since several cities adopt less than maximum rates, the Commission also ordered that:

- A municipality, whose 2004 city-preferred access line rate(s) is below its 2004 CPI-adjusted maximum access line rates, will remain at its 2004 city-preferred rate(s), unless it provides notification to the Commission of its desired rates no later than April 30, 2005.
- For a municipality whose 2004 city-preferred access line rate(s) is equal to its 2004 CPI-adjusted maximum access line rate(s), the new 2005 city-preferred access line rate will be set equal to the new 2005 CPI-adjusted maximum access line rate(s), unless the municipality provides a notification to the Commission of its desired rate(s) no later than April 30, 2005.

In response to that Order, several cities have responded to Staff either by affirming the Commission's default rates or by declining the Commission's default rate and choosing a different rate.

In that same Order, the Commission also gave Staff the authority to issue an Order administratively setting new city-preferred access line rates incorporating any reductions or increases requested by cities. This Order is being issued pursuant to that authority. Attachment A contains the year 2005 city-preferred access line rates, incorporating any adjustments requested by the cities. These rates shall be implemented prospectively no later than July 1, 2005.

SIGNED AT AUSTIN, TEXAS the ____ day of May 2005.

PUBLIC UTILITY COMMISSION OF TEXAS

**MICHAEL E. FIELD
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